State of Arizona House of Representatives Forty-sixth Legislature Second Regular Session 2004

CHAPTER 336

HOUSE BILL 2601

AN ACT

AMENDING SECTIONS 13-3990, 15-201, 15-1401 AND 15-1405, ARIZONA REVISED STATUTES; REPEALING SECTION 15-1424, ARIZONA REVISED STATUTES; AMENDING SECTION 15-1427, ARIZONA REVISED STATUTES; REPEALING SECTION 15-1428, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-1444, 15-1446, 15-1466.01, 15-1469 AND 15-1472, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 12, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1473; AMENDING SECTIONS 15-1802.01, 15-1804, 15-1821, 15-1822, 15-1824, 15-1851, 15-1861, 15-1863, 15-1872, 23-391, 32-3001, 35-101, 41-617, 41-790.01, 41-1057, 41-1829.01, 41-1862, 41-3501, 42-5029.01 AND 44-7002, ARIZONA REVISED STATUTES; RELATING TO COMMUNITY COLLEGES; PROVIDING FOR CONDITIONAL ENACTMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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 Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 13-3990, Arizona Revised Statutes, is amended to read:

13-3990. Notice of conviction of teachers

On the conviction of a person of an offense in this title or of any felony, if the person is certified to teach by the state board of education or state board of directors for community colleges, or is teaching in a COMMUNITY COLLEGE DISTRICT OR charter school, a copy of the judgment and sentence, and of the opinion of the court or magistrate, if any opinion is filed, shall be sent by the clerk of the court, or by the magistrate, to the certifying STATE board OF EDUCATION, TO THE COMMUNITY COLLEGE DISTRICT or to the charter school.

- Sec. 2. Section 15-201, Arizona Revised Statutes, is amended to read: 15-201. State board of education; members; appointment; terms
- A. The state board of education shall be composed of the superintendent of public instruction, the president of a state university or a state college, three lay members, a member of the state board of directors for community colleges A PRESIDENT OR CHANCELLOR OF A COMMUNITY COLLEGE DISTRICT, a superintendent of a high school district, a classroom teacher and a county school superintendent. A member who is a president of a state university or a state college shall not succeed himself.
- B. The governor shall appoint each member, other than the superintendent of public instruction, pursuant to section 38-211 for a term of four years beginning on the third Monday in January.
 - Sec. 3. Section 15-1401, Arizona Revised Statutes, is amended to read: 15-1401. <u>Definitions</u>

In this chapter, unless the context otherwise requires:

- 1. "Accredited" means accredited by a regional accrediting agency recognized by the United States department of education or by the council on postsecondary accreditation.
- 2. "Additional short-term classes" means those classes which are not in session on the forty-fifth day of the fall or spring semester, which commence at various times during the fiscal year and which are offered over a period of less than sixteen weeks.
- 3. "Budget year" means the fiscal year for which the community college district is budgeting and which immediately follows the current year.
- 4. "Community college" means an educational institution that is operated by a district board and that provides a program not exceeding two years' training in the arts, sciences and humanities beyond the twelfth grade of the public or private high school course of study or vocational education, including terminal courses of a technical and vocational nature and basic adult education courses.
- 5. "Current year" means the fiscal year in which the community college district is operating.

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- 6. "District" means A community college district THAT IS established pursuant to sections 15-1402 and 15-1403 which AND THAT is a political subdivision of this state and, unless otherwise specified, includes provisional community college districts established pursuant to section 15-1409.
- 7. "District board" means the community college district governing board.
- 8. "Full-time equivalent student" means student enrollment for fifteen community college semester credit units per semester.
- 9. "Open entry, open exit classes" means those classes in which students enter or exit based on mastery of specified competencies and which commence at various times during the fiscal year.
- 10. "Operational expense budget" means the budget as adopted by the district board pursuant to section 15-1461.
- 11. "Operational expenses" means the administration, instruction, operation of community college plant, maintenance of community college plant, fixed charges and contingencies incurred in the operation of a district exclusive of all capital outlay items, special levies, auxiliary enterprise funds, restricted funds and bond service items.
- 12. "Provisional community college district" means a community college district organized pursuant to section 15-1409.
- 13. "State board" means the state board of directors for community colleges.
 - Sec. 4. Section 15-1405, Arizona Revised Statutes, is amended to read: 15-1405. Presentation of plan to legislature by county board of supervisors

The state board COUNTY BOARD OF SUPERVISORS shall present a plan to the legislature for formation and establishment of a community college district no later than January 15 subsequent to the election held as provided in section 15-1404.

Sec. 5. Repeal

Section 15–1424, Arizona Revised Statutes, is repealed.

Sec. 6. Section 15-1427, Arizona Revised Statutes, is amended to read: 15-1427. Annual report

By November 1 of each year, the state board EACH COMMUNITY COLLEGE DISTRICT shall make a report for the preceding fiscal year to the governor and the legislature JOINT LEGISLATIVE BUDGET COMMITTEE AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS. The report shall set forth the state of progress of the community colleges operated under the provisions of this chapter, the courses of study included in the curriculums, the number of professors and other instructional staff members employed, the number of students registered and attending classes, the number of full-time equivalent students enrolled during the year, the total number of students not residing in the district, the amount of receipts and expenditures and such other

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 information as the governor and the legislature JOINT LEGISLATIVE BUDGET COMMITTEE deem proper.

Sec. 7. Repeal

Section 15-1428, Arizona Revised Statutes, is repealed.

- Sec. 8. Section 15-1444, Arizona Revised Statutes, is amended to read:
- 15-1444. General powers of district governing boards
- A. Except as otherwise provided, the district board shall:
- 1. Maintain each community college for a period of not less than eight months in each year and, if the funds of the district are sufficient, maintain each community college for a longer period.
- 2. Adopt policies in a public forum to offer programs that meet the educational needs of the population served by the community college.
 - 3. Enforce the courses of study prescribed by the district board.
- 4. Visit each community college under its jurisdiction and examine carefully into its management, conditions and needs.
- 5. Exclude from each community college all books, publications or papers of a sectarian, partisan or denominational character intended for use as textbooks.
- 6. Appoint and employ a chancellor or chancellors, vice-chancellors, a president or presidents, vice-presidents, deans, professors, instructors, lecturers, fellows and such other officers and employees it deems necessary. The district board may enter into employment contracts with chancellors, vice-chancellors and presidents for a duration of more than one year but not more than five years.
 - 7. Determine the salaries of persons it appoints and employs.
- 8. Remove any officer or employee if in its judgment the interests of education in this state require the removal.
- 9. Award degrees, certificates and diplomas upon the completion of courses and curriculum as it deems appropriate.
- 10. Appoint or employ, if it deems necessary, police officers who shall have the authority and power of peace officers. The police officers who have received a certificate from the Arizona peace officer standards and training board are eligible for membership in and benefits under either title 38, chapter 5, article 2 or the public safety personnel retirement system under title 38, chapter 5, article 4.
- 11. Determine the location within the district of a community college and purchase, receive, hold, make and take leases of, sell and convey real or personal property for the benefit of the community colleges under its jurisdiction.
- 12. Obtain insurance or be self-insured, or a combination of insurance and self-insurance, against loss, to the extent it is determined necessary on community college buildings of the district. The local district shall have an insurable interest in the buildings.
 - B. The district board may:

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- 1. Administer trusts declared or created for the district and receive by gift or devise and hold in trust or otherwise property wheresoever located, and if not otherwise provided, dispose of the property for the benefit of the district.
- 2. Lease real property, as lessor or as lessee. If a district is the lessee, the lease may contain an option to purchase the property. The district board may adopt policies as are deemed necessary and may delegate in writing to the chancellor or president of the district, or their designees, all or any part of its authority to lease property under this paragraph. A district board shall not delegate the authority to execute a lease that exceeds one hundred thousand dollars per year. Any delegation by the district board pursuant to this paragraph may be rescinded in whole or in part at any time by the district board.
 - 3. Sue and be sued.
- 4. Contract. The district board may adopt such policies as are deemed necessary and may delegate in writing to the chancellor or president of the district, or their designees, all or any part of its authority to contract under this paragraph. Any delegation of authority under this paragraph may be rescinded by the district board at any time in whole or in part.
 - 5. Construct, remodel and repair buildings.
- 6. In conjunction with other districts, establish policies for procurement of goods and services.
- . 7. Provide a plan or plans for employee benefits which may include optional retirement programs pursuant to section 15-1451, subsection A, which allow for participation in a cafeteria plan that meets the requirements of the United States internal revenue code of 1986.
- 8. Accept grants or donations of monies from the United States, or from any of its agencies, departments or officers, or from any persons, corporations, foundations or associations. A district board shall deposit the monies into a specific fund or account and a district board shall administer the monies in accordance with the purpose of the grant or donation with specific policies or restrictions as described or stipulated in the grant or donation. In the case of personal property granted or donated to or for the benefit of a community college district, a district board shall immediately transfer possession and ownership of the property to the designated district.
- C. If a district acquires real or personal property, whether by purchase, exchange, condemnation, gift or otherwise, the district shall pay to the county treasurer any taxes on the property that were unpaid as of the date of acquisition, including penalties and interest. The lien for unpaid delinquent taxes, penalties and interest on property acquired by the district:
- 1. Is not abated, extinguished, discharged or merged in the title to the property.
 - Is enforceable in the same manner as other delinquent tax liens.

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- D. From and after December 31, 1988, in a district whose boundaries encompass a vehicle emissions control area as defined in section 49-541 the district board shall require all out of county and out of state students to sign an affidavit at the time of course registration that the student's vehicle meets the requirements of section 49-542. From and after December 31, 1988, the district board on property under its jurisdiction within a vehicle emissions control area shall prohibit the parking of those vehicles which fail to comply with section 49-542.
- E. A community college district and a joint technological education district governing board may enter into agreements for the provision of administrative, operational and educational services and facilities.
- F. EACH DISTRICT MAY ESTABLISH A PROGRAM FOR THE EXCHANGE OF STUDENTS BETWEEN THE COMMUNITY COLLEGES UNDER ITS JURISDICTION AND COLLEGES AND UNIVERSITIES LOCATED IN SONORA, MEXICO. THE PROGRAM MAY PROVIDE FOR IN-STATE TUITION FOR SONORA STUDENTS AT THE COMMUNITY COLLEGES UNDER ITS JURISDICTION IN EXCHANGE FOR SIMILAR TUITION PROVISIONS FOR ARIZONA STUDENTS ENROLLED OR SEEKING ENROLLMENT IN SONORA COLLEGES AND UNIVERSITIES. THE COMMUNITY COLLEGES MAY WORK IN CONJUNCTION WITH THE ARIZONA-MEXICO COMMISSION IN THE GOVERNOR'S OFFICE TO COORDINATE RECRUITMENT AND ADMISSIONS ACTIVITIES TO PROVIDE FOR IN-STATE TUITION FOR UP TO FIFTY SONORA STUDENTS AT THE COMMUNITY COLLEGES UNDER ITS JURISDICTION IN EXCHANGE FOR SIMILAR TUITION PROVISIONS FOR UP TO FIFTY TOTAL ARIZONA STUDENTS ENROLLED OR SEEKING ENROLLMENT IN SONORA COLLEGES AND UNIVERSITIES.
- G. EACH DISTRICT SHALL FACILITATE TRANSFER ARTICULATION COORDINATION PURSUANT TO SECTION 15-1824.
 - Sec. 9. Section 15-1446, Arizona Revised Statutes, is amended to read: 15-1446. <u>Lease-purchase agreements</u>
- A. A district board may enter into lease or lease-purchase agreements for real property, including buildings and improvements to the property.
- B. Lease or lease-purchase agreements authorized by subsection A of this section or section 15-1444, subsection A, paragraph 11 shall not create an obligation of payment by the district under the terms of the lease or lease-purchase agreement for periods longer than fifteen years.
- C. NOTWITHSTANDING SUBSECTION B OF THIS SECTION, A DISTRICT BOARD MAY ENTER INTO LEASE AGREEMENTS FOR REAL PROPERTY, INCLUDING BUILDINGS AND IMPROVEMENTS TO THE PROPERTY, THAT OBLIGATE THE DISTRICT FOR MORE THAN FIFTEEN YEARS IF SUCH AGREEMENTS ARE WITH AN INDIAN TRIBE, INVOLVE LAND OWNED OR CONTROLLED BY THE FEDERAL GOVERNMENT OR BY A JOINT POWERS AIRPORT AUTHORITY ORGANIZED UNDER TITLE 28, CHAPTER 25, ARTICLE 8 OR INVOLVE REAL PROPERTY THAT IS OWNED BY A NONGOVERNMENTAL NONPROFIT CORPORATION AND THAT IS OFFERED FOR LEASE IN AN AMOUNT NOT TO EXCEED ONE THOUSAND DOLLARS PER YEAR TO A COMMUNITY COLLEGE DISTRICT FOR PURPOSES OF EXPANDING HEALTH CARE EDUCATION PROGRAMS.
- c. D. The amount of outstanding indebtedness due to acquisition of real property by lease-purchase for each district shall not exceed two

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million five hundred thousand dollars in any one year and fifteen million dollars in the aggregate. A district board may pledge tuitions, fees, rentals and other charges to any payments due under lease-purchase agreements.

- \overline{D} . E. Notwithstanding subsection \overline{C} D of this section, periodic payments and any option payments for acquisition of real property by lease-purchase are restricted to payment from capital outlay funds.
- E. F. Districts that acquire real property by lease-purchase are not entitled to receive monies pursuant to section 15-1463 pertaining to the specific real property acquired by lease-purchase.
- f. G. Notwithstanding any other law, payments on lease or lease-purchase agreements entered into pursuant to subsection A of this section or section 15-1444, subsection A, paragraph 11 are obligations of the district within the meaning of the constitutional limit against indebtedness set out in article IX, section 8, Constitution of Arizona.
- Sec. 10. Section 15-1466.01, Arizona Revised Statutes, is amended to read:

15-1466.01. <u>Calculation of full-time equivalent student</u> enrollment

In determining state aid under sections 15-1464 and 15-1466 the number of full-time equivalent students shall be calculated in the following manner:

- 1. For the basic actual full-time equivalent student enrollment, add the number of full-time equivalent students enrolled as of forty-five days after classes begin in the fall semester to the number of full-time equivalent students enrolled as of forty-five days after classes begin in the spring semester, not including additional short-term classes, and divide the sum by two.
- 2. For the additional short-term and open entry, open exit full-time equivalent student enrollments:
- (a) Determine the total number of credit units for students enrolled in additional short-term and open entry, open exit classes for the fiscal year.
- (b) Determine the total number of credit units for students who have completed the additional short-term and open entry, open exit classes for the fiscal year. Any student who has not completed the class by June 30 of each fiscal year shall not be eligible to be counted for state aid purposes until the following year.
 - (c) Add the amounts in subdivisions (a) and (b).
 - (d) Divide the amount determined in subdivision (c) by two.
 - (e) Divide the quotient obtained in subdivision (d) by thirty.
- (f) The result in subdivision (e) is the additional short-term and open entry, open exit full-time equivalent student enrollments for the fiscal year.
- 3. For the skill center and adult basic education courses full-time equivalent student enrollment, divide by six hundred forty the total class

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attended clock hours of persons who complete vocational training. Any student who does not complete vocational training programs by June 30 of each fiscal year shall not be eligible to be counted for state aid purposes until the following year.

4. The total of basic actual, additional short-term and open entry, open exit and skill center full-time equivalent student enrollment shall be the basis of providing state aid. Beginning with the audit for the year ending June 30, 2003, the auditor general shall audit separately any full-time equivalent student enrollment where a student is enrolled in a course for both high school and college credit simultaneously, except for credit received at a private college or a college owned, operated or chartered by an Indian tribe, taking into consideration any relevant law, regulation or rule. The full-time equivalent student enrollment reported by each district for all basic actual, additional short-term and open entry, open exit classes and skill center and adult basic education courses shall be audited annually by the auditor general. THE AUDITOR GENERAL SHALL REPORT THE RESULTS OF THE AUDIT TO THE STAFFS OF THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING BY OCTOBER 15 OF EACH YEAR.

Sec. 11. Section 15-1469, Arizona Revised Statutes, is amended to read:

15-1469. Attendance of nonresident state students; payment of cost by county of residence

- A. The district may admit students from any part of this state which is not a part of an established community college district on the same conditions as residents.
- B. It shall be the obligation of the county of the student's residence to reimburse the district as provided in this subsection. The amount of reimbursement to each community college district from each county which is not a part of an organized community college district shall be determined as follows:
- 1. For students attending classes within the established community college district:
- (a) Determine the number of full-time equivalent students attending classes within the district from the county for the year preceding the current year.
- (b) Determine the operational expenses of the district for the current year excluding direct and indirect costs of noncredit courses.
- (c) Determine the amount of state aid the district received for the current year as provided in section 15–1466.
- (d) Subtract the amount of state aid received for the current year determined in subdivision (c) from the amount of operational expenses for the current year determined in subdivision (b).
- (e) Determine the number of full-time equivalent students enrolled in the district for the current year.

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- (f) Divide the amount determined in subdivision (d) by the number of full-time equivalent students determined in subdivision (e).
- (g) Multiply the amount determined in subdivision (f) by the average number of full-time equivalent students for the county determined as provided in subdivision (a).

The resulting amount is the amount of reimbursement to the district from the county for the budget year for students attending classes within the established community college district.

- 2. For students attending classes offered by the district within the county pursuant to section 15-1470, the amount specified in the intergovernmental agreement is the amount of reimbursement to the district from the county for the budget year for students attending classes within the county.
- C. The county school superintendent of the county of the student's residence shall certify to the state COMMUNITY COLLEGE DISTRICT board and the board of supervisors that the student is a resident of the county.
- D. On or before May 15, the staff of the joint legislative budget committee shall:
- 1. Determine the amount of reimbursement to each district from each county pursuant to subsection B, paragraph 1 of this section.
- 2. Notify the board of supervisors of each county of the amount it shall reimburse to each district pursuant to subsection B, paragraph 1 of this section for the budget year.
- 3. Notify each community college district eligible to receive reimbursement of the amount of reimbursement from each county pursuant to subsection B, paragraph 1 of this section for the budget year.
- E. On or before November 15 and May 15, the board of supervisors shall draw warrants on the county treasurer in favor of the community college district for half of the amount due pursuant to subsection B of this section. The board of supervisors shall:
- 1. Pay monies from the county general fund or levy a community college reimbursement levy pursuant to section 42-17203 for the amount of reimbursement pursuant to an intergovernmental agreement for extension courses as provided in section 15-1470.
- 2. Pay monies from the county general fund or levy a community college reimbursement levy pursuant to section 42-17203 for the amount of reimbursement pursuant to subsection B, paragraph 1 of this section.
- F. Notwithstanding subsection E of this section, a county and a community college district may specify by intergovernmental agreement that the amount of reimbursement due from the county be reduced by the value of in-kind contributions made by the county to the district.
- G. For the purposes of subsection B, paragraph 1 of this section full-time equivalent students are determined in the same manner prescribed by section 15-1466.01.

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 Sec. 12. Section 15-1472, Arizona Revised Statutes, is amended to read:

15-1472. Community college district workforce development accounts; report

- A. Each community college district shall establish a separate workforce development account to receive only tax revenues authorized pursuant to section 42-5029, subsection E, paragraph 3. Each community college district board shall approve the expenditure of these monies in accordance with section 15-1461 and consistent with the provisions of subsection B of this section.
- B. Monies received pursuant to subsection A of this section shall be expended for workforce development and job training purposes. These expenditures may include:
 - 1. Partnerships with businesses and educational institutions.
- 2. Additional faculty for improved and expanded classroom instruction and course offerings.
- 3. Technology, equipment and technology infrastructure for advanced teaching and learning in classrooms or laboratories.
- 4. Student services such as assessment, advisement and counseling for new and expanded job opportunities.
- 5. The purchase, lease or lease-purchase of real property, for new construction, remodeling or repair of buildings or facilities on real property.
- C. The state treasurer shall transfer monies under this section into each district's workforce development account by the fifteenth day of each month. The state treasurer shall also allocate and distribute any pooled interest earnings earned from revenues authorized in section 42-5029, subsection E, paragraph 3 to each district in accordance with the method prescribed in subsection D, paragraph 2 of this section.
- D. Revenues authorized for community college districts in section 42-5029, subsection E, paragraph 3 shall be distributed by the state in the following manner:
- 1. For thirteen fiscal years beginning in fiscal year 2001-2002 the state treasurer shall allocate one million dollars per fiscal year for the purpose of bringing this state into compliance with the matching capital requirements prescribed in section 15-1463. The state treasurer shall distribute the monies authorized in this subsection to each district in the order in which each campus qualified for funding pursuant to section 15-1463.
- 2. After the monies have been paid each year to the eligible district pursuant to paragraph 1 of this subsection, the state treasurer shall distribute monies from the workforce development fund to each community college district in the following manner:
- (a) Each district shall receive the sum of two hundred thousand dollars.

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- (b) After each district has received the payments prescribed in subdivision (a) of this paragraph, the remainder of monies in the fund shall be distributed to each district according to each district's full-time equivalent student enrollment percentage of the total state wide audited full-time equivalent student enrollment in the preceding fiscal year prescribed in section 15-1466.01. The percentage distribution under this subdivision shall be adjusted annually on October 1 of each year.
- E. Revenues received by community college districts shall not be used by the legislature to supplant or reduce any state aid authorized in this chapter or supplant any proceeds from the sale of bonds authorized in this article and article 5 of this chapter.
- F. Monies received under this section shall not be considered to be local revenues for purposes of article IX, section 21, Constitution of Arizona.
- G. Each community college district shall submit a workforce development plan by April 1 of each year to the department of commerce. The plan shall outline the purpose and goals for which workforce development monies are to be expended by the district.
- H. Each community college district shall annually submit a report of its workforce development plan activities and expenditures authorized by this section for the previous year to the state board of directors for community colleges by December 1. The state board may offer recommendations regarding a district's workforce development plan for future years and shall forward the district reports to the joint legislative budget committee for review.
- IT. H. Each community college district shall annually submit a report of ITS WORKFORCE DEVELOPMENT PLAN ACTIVITIES AND the expenditures authorized in this section to the governor, president of the senate, speaker of the house of representatives, JOINT LEGISLATIVE BUDGET COMMITTEE and department of commerce by each December 1 following the end of the fiscal year for which the expenditures have been made. The report shall include the purpose and goals for which the workforce development monies were expended by each district together with a general accounting of the expenditures authorized in subsection B of this section. A copy of the final report shall also be provided to the secretary of state and the director of the Arizona state library, archives and public records.
- Sec. 13. Title 15, chapter 12, article 4, Arizona Revised Statutes, is amended by adding section 15–1473, to read:

15-1473. <u>Uniform system of accounting for community college</u> <u>districts; duties of auditor general</u>

- A. THE AUDITOR GENERAL SHALL DETERMINE THE ACCOUNTING SYSTEMS, ACCOUNTING METHODS AND ACCOUNTING PROCEDURES FOR USE BY THE COMMUNITY COLLEGE DISTRICTS.
- B. THE AUDITOR GENERAL, IN CONJUNCTION WITH THE COMMUNITY COLLEGE DISTRICTS, SHALL PRESCRIBE A UNIFORM SYSTEM OF ACCOUNTING AS PROVIDED IN SECTION 41-1279.21 FOR USE BY ALL COMMUNITY COLLEGE DISTRICTS.

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Sec. 14. Section 15-1802.01, Arizona Revised Statutes, is amended to read:

15-1802.01. <u>County residency status: community college</u> districts

- A. Each community college district shall adopt policies regarding domicile requirements that include, at a minimum, the following:
- 1. Each student shall have the question of domicile determined before the time of registration and payment of fees. It is the responsibility of the student to register under the correct domicile determination.
- 2. Enforcement of domicile requirements shall be the responsibility of the chief executive officer of each community college district.
- 3. The chief executive officer of each community college district shall designate a representative at each college or campus who is responsible for documents and who is qualified to administer oaths as defined in section 41-311 in connection with statements and testimony relative to student domicile status for tuition purposes. Affidavits shall be submitted on a form prescribed by the state board of directors for community colleges.
- 4. In addition to the requirements prescribed in section 15-1802, subsection G, any of the following may be used in determining a student's domicile:
 - (a) An income tax return.
 - (b) The place of graduation from high school.
 - (c) The source of financial support.
 - (d) Dependency as indicated on a federal income tax return.
 - (e) Ownership of real property.
 - (f) A notarized statement of a landlord or employer.
 - (q) Bank accounts.
- B. Each community college district shall adopt policies regarding classification procedures for a student for nonresident or resident tuition purposes that include, at a minimum, the following:
- 1. In determining a student's classification, the college may consider all evidence, written or oral, presented by the student and any other information received from any source that is relevant to determining classification. The college may request written sworn statements or sworn testimony of the student.
- 2. The decision as to classification shall be made by the representative designated pursuant to subsection A, paragraph 3 of this section. In making the decision the representative may consult with other college officials. Decisions by the representative shall be made as soon as possible after all relevant information is acquired.
- 3. If the representative classifies the student as a nonresident for tuition purposes, the decision shall be communicated to the student by mail to the most recent address furnished to the college. If the student is classified as a nonresident for tuition purposes, the student must make satisfactory provision for payment of nonresident tuition and other charges.

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- C. Each community college district shall adopt a review and appeals process for students contesting a domicile decision by the college.
- D. An individual domiciled in this state, but not in a community college district, shall be required to sign a notarized statement as to county residency stating that the individual has resided in the county for at least fifty days before the first day of classes.
- Sec. 15. Section 15-1804, Arizona Revised Statutes, is amended to read:

15-1804. Presumptions relating to student status; definition

- A. Unless the contrary appears to the satisfaction of the registering authority of the community college or university at which a student is registering, it shall be presumed that:
- 1. No emancipated person has established a domicile in this state while attending any educational institution in this state as a full-time student, as such status is defined by the state board of directors for community colleges SUBSECTION B FOR COMMUNITY COLLEGE STUDENTS or AS DEFINED BY the Arizona board of regents FOR UNIVERSITY STUDENTS, in the absence of a clear demonstration to the contrary.
- 2. Once established, a domicile is not lost by mere absence unaccompanied by intention to establish a new domicile.
- 3. A person who has been domiciled in this state immediately prior to becoming a member of the armed forces of the United States shall not lose in-state status by reason of such person's presence in any other state or country while a member of the armed forces of the United States.
- B. FOR THE PURPOSES OF THIS SECTION, "FULL-TIME STUDENT" MEANS A COMMUNITY COLLEGE STUDENT WHO REGISTERS FOR AT LEAST TWELVE SEMESTER HOURS PER SEMESTER AT A COMMUNITY COLLEGE IN THIS STATE.
- Sec. 16. Section 15-1821, Arizona Revised Statutes, is amended to read:

15-1821. Special admission of students under age eighteen: enrollment information; reports

- A. Each community college district board shall adopt policies which require community colleges under its jurisdiction to admit students under age eighteen who have not yet attained a high school diploma or high school certificate of equivalency and who meet the established requirements of the courses for which they enroll. The Arizona board of regents shall adopt rules which require the universities under its jurisdiction to admit students under age eighteen who have not yet attained a high school diploma or high school certificate of equivalency and who meet the established requirements of the courses for which they enroll.
- B. The policies and rules as provided in subsection A shall include the following provisions:
- No student under age eighteen shall be denied admission because of age, lack of a high school diploma or high school certificate of equivalency, grade in school, lack of permission of school officials or lack of concurrent

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enrollment in a public or private school, if the student has achieved at least a specified score on a college entrance examination.

- 2. A community college or university which admits a student pursuant to paragraph 1 of this subsection may limit the number of semester credit hours in which the student may enroll to no less than six semester credit hours.
- 3. A student admitted to a community college or university pursuant to paragraph 1 of this subsection is not guaranteed admission to a specific degree program or to all courses offered by the community college or university.
- C. The state board of directors for community colleges EACH COMMUNITY COLLEGE DISTRICT and the Arizona board of regents shall provide all high schools in this state with information which describes the policies and rules, as appropriate, the types of courses available and other information related to the enrollment of students under the age of eighteen. Each unified or high school district school shall make this information available to all students in at least grades nine through twelve.
- D. On or before November 15, the state board of directors for community colleges EACH COMMUNITY COLLEGE DISTRICT and the Arizona board of regents shall each submit a report to the president of the senate, the speaker of the house of representatives and the state board of education AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS, on students under the age of eighteen YEARS OF AGE who had not yet attained a high school diploma or high school certificate of equivalency and who were enrolled in a university or community college course or a program for community college or university credit during the time period of September of the previous fiscal year through August of the current fiscal year. The annual report shall include at least the following:
 - 1. The number of students who were enrolled.
- 2. A general narrative of the types of courses or programs in which the students were enrolled.
 - 3. The rules adopted pursuant to subsection A.
- E. On or before September 30, each institution under the jurisdiction of the Arizona board of regents shall submit to the Arizona board of regents in the form specified by the ARIZONA board OF REGENTS the information that the ARIZONA board OF REGENTS needs to compile the report required in subsection D.
- f. On or before September 30, each community college district shall submit to the state board of directors for community colleges in the form specified by the state board of directors for community colleges the information that the state board of directors for community colleges needs to compile the report required in subsection D.

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Sec. 17. Section 15-1822, Arizona Revised Statutes, is amended to read:

15-1822. Report; academic performance of high school graduates

- A. On or before October 31, the state board of directors for community colleges EACH COMMUNITY COLLEGE DISTRICT and the Arizona board of regents shall each submit a report to the president of the senate, the speaker of the house of representatives, the superintendent of public instruction and the state board of education AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS, on the academic performance of the preceding year's graduates from high schools in this state enrolled in institutions under their jurisdiction during the year ending on June 30 of the current calendar year. The report shall include for each school at least the following:
- 1. The number of graduates of the school who were enrolled in the institution during the reporting period.
- 2. Information about the academic performance of graduates of the school in mathematics and English courses.
- B. On or before September 1, each institution under the jurisdiction of the Arizona board of regents shall submit to the Arizona board of regents in the form specified by the Arizona board of regents the information that the Arizona board of regents needs to compile the report required under this section.
- C. On or before September 1, each community college district shall submit to the state board of directors for community colleges in the form specified by the state board of directors for community colleges the information that the state board of directors for community colleges needs to compile the report required under this section.
- D. C. The superintendent of public instruction shall provide each high school in this state with a copy of the portion of the report that is applicable to its graduates.
- Sec. 18. Section 15-1824, Arizona Revised Statutes, is amended to read:

15-1824. Transfer articulation; annual report

- A. The community college districts and universities shall cooperate in operating a statewide articulation and transfer system, including the process for transfer of lower division general education credits, general elective credits and curriculum requirements for approved majors, to facilitate the transfer of community college students to Arizona public universities without a loss of credit toward a baccalaureate degree and TO ENSURE that the postsecondary education needs of students statewide are met without unnecessary duplication of programs.
- B. The Arizona board of regents and the community college districts shall submit an annual report of their progress on both articulation and meeting statewide postsecondary education needs to the joint legislative budget committee and the state board of directors for community colleges on

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or before December 15 AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS.

Sec. 19. Section 15-1851, Arizona Revised Statutes, is amended to read:

15-1851. Commission for postsecondary education; purpose; report; members; terms; powers and duties; compensation; quorum; personal liability; definition

- A. The commission for postsecondary education is established as the postsecondary review entity for this state for the conduct, supervision and coordination of the review of postsecondary education institutions in order to determine the eligibility of those institutions for student financial aid monies pursuant to the provisions of part H, subpart one of the higher education amendments of 1992 (P.L. 102-325; 106 Stat. 638; 20 United States Code section 1099a). The commission shall accomplish the purpose of this subsection through the accumulation of information, the performance of studies and the determination of compliance by the postsecondary education institutions with the provisions of part H, subpart one of the higher education amendments of 1992. The review authority of the commission shall be limited to circumstances where the United States department of education has referred an institution to the commission for review or where the United States department of education has approved the review of an institution in accordance with criteria established by the United States department of The commission shall keep records of its activities, and the commission shall provide information when requested to the United States secretary of education for financial and compliance audits and for institution evaluation. The scope of authority of the commission acting as a postsecondary review entity to review any educational institution is limited specifically to compliance by the institution with title IV, part H, subpart one of the higher education amendments of 1992. Any review of any institution conducted by the commission shall be performed in the context of the institution's individual mission and purposes. The commission shall not planning, policy, coordinating, supervisory, administrative powers over any postsecondary institution in this state.
- B. The commission shall also administer the applicable programs identified under section 1203 of the higher education act amendments of 1998 (P.L. 105-244), including the leveraging educational assistance partnership program, the federal family education loan program and the Paul Douglas teacher scholarships program, and shall supervise the state guarantee agency under the higher education act amendments of 1998.
- C. In addition to the responsibilities prescribed in subsections A and B of this section, the commission shall:
- 1. Provide a forum to public and private postsecondary education institutions for discussion of issues of mutual interest, including the following:

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- (a) The postsecondary needs of unserved and underserved individuals in this state.
- (b) The resources of public and private institutions, organizations and agencies that are located in this state and that are capable of providing postsecondary education opportunities.
- (c) Enrollment demand and public policy options to meet statewide needs for postsecondary education services.
 - (d) Cooperative comprehensive instructional and capital planning.
- 2. Provide reports pursuant to this subsection on discussions of issues of mutual interest.
- 3. Coordinate and promote collaborative studies on issues of mutual interest to public and private postsecondary education institutions.
- 4. Compile and disseminate information to the public regarding postsecondary education opportunities in this state.
- 5. Prepare an annual report that summarizes the results of the commission's activities prescribed in this section and section 15-1852. The annual report shall be submitted to the speaker of the house of representatives, the president of the senate, the governor and the Arizona state library, archives and public records by December 28.
- D. The commission consists of the executive director of the Arizona board of regents, the senior administrator of the state board of directors for community colleges, the executive director of the state board for private postsecondary education and the following fourteen additional members who shall be appointed by the governor pursuant to section 38-211:
- 1. Two members who hold senior executive or managerial positions in a university under the jurisdiction of the Arizona board of regents.
- 2. Two members who hold senior executive or managerial positions in a community college district, one representing a community college district in a county with a population of five hundred thousand persons or more and one representing a community college district in a county with a population of less than five hundred thousand persons.
- 3. Two members who hold senior executive or managerial positions in private postsecondary institutions of higher education that are licensed under title 32, chapter 30, that are located in this state, that offer bachelor or higher degrees and that are accredited by a regional accreditation agency approved by the United States department of education.
- 4. Two members who hold senior executive or managerial positions in private postsecondary institutions of higher education that are licensed under title 32, chapter 30, that are located in this state, that offer vocational education programs and that are accredited by a national accreditation agency approved by the United States department of education.
- 5. One member who holds a senior executive or managerial position in a private cosmetology school that is licensed under title 32, chapter 5, that is located in this state, that offers cosmetology programs approved by the

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board of cosmetology and that are IS accredited by a national accreditation agency approved by the United States department of education.

- 6. One member who holds a senior executive or managerial position in an institution that is licensed under title 32, chapter 23 or under the provisions of 14 Code of Federal Regulations part 147, that offers vocational education programs at the postsecondary level, that is located in this state and that is not an institution that is qualified under any other category.
- 7. One member who has held a senior executive or managerial level position in commerce or industry in this state for at least three years before the member's appointment and who is not qualified to serve under any other category.
- 8. Two members who hold senior executive or managerial positions in the high school education system in this state.
- 9. One member who is an owner, operator or administrator of a charter school in this state.
- E. Members of the commission appointed pursuant to subsection D, through of this section shall serve four paragraphs Appointed members of the commission shall be residents of this state. Appointed members of the commission at all times during their terms shall continue to be eligible for appointment under the category that they were appointed to represent. Terms of appointed members of the commission begin on the third Monday in January. No appointed member of the commission may serve more than two consecutive terms.
- F. The executive director of the Arizona board of regents, the senior administrator of the state board of directors for community colleges and the executive director of the state board for private postsecondary education serve as members of the commission during their respective terms of office and are not eligible to vote with respect to the commission's review of any postsecondary institution.
- G. Members appointed pursuant to subsection D, paragraphs 1 through 9 of this section are eligible to receive compensation pursuant to section 38-611 for each day spent in the performance of commission duties and may be reimbursed for expenses properly incurred in connection with the attendance at meetings or hearings of the commission.
- H. The governor shall appoint a chairman from among the members of the commission who shall serve a one year term that begins on the third Monday in January.
- I. Except as provided in subsection J of this section, a majority of the members of the commission constitutes a quorum for the transaction of commission business. The vote of a majority of the quorum constitutes authority for the commission to act.
- J. For all purposes relating to title IV, part H, subpart one of the higher education amendments of 1992 the commission membership shall consist only of the members appointed pursuant to subsection D, paragraphs 1 through 7 of this section, and all commission actions taken pursuant to title IV,

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part H, subpart one of the higher education act of 1992 require the affirmative vote of at least six members.

- K. Members of the commission are immune from personal liability with respect to all actions that are taken in good faith and within the scope of the commission's authority.
- L. For the purposes of this section, "community college district" means a community college district THAT IS established pursuant to sections 15–1402 and 15–1403 AND that is a political subdivision of this state.
- Sec. 20. Section 15-1861, Arizona Revised Statutes, is amended to read:

15-1861. Definitions

In this article, unless the context otherwise requires:

- 1. "Eligible institution of higher education" means any university under the jurisdiction of the Arizona board of regents, any community college under the jurisdiction of the state board of community colleges or any private postsecondary institution licensed in Arizona under title 32, chapters CHAPTER 5, 23 or 30 or under 14 Code of Federal Regulations part 147.
- 2. "Sufficient academic standing" means the grade point average and other criteria established by an eligible institution of higher education for students to maintain attendance at that institution.
- 3. "Tuition scholarship" means an award of dollars to a student selected for participation in the program that shall be disbursed each semester that a student is enrolled in an eligible institution of higher education in amounts that do not exceed the actual semester registration fees at that institution.
- Sec. 21. Section 15-1863, Arizona Revised Statutes, is amended to read:

15-1863. Arizona student program investing resources for education selection committee; membership; duties

- A. The Arizona student program investing resources for education selection committee of the Arizona commission for postsecondary education is established consisting of the following members who serve three year terms:
 - 1. Three members WHO ARE appointed by the governor.
- 2. Three TWO members WHO ARE appointed by the Arizona commission for postsecondary education, with one member each representing the Arizona board of regents, state board of community colleges and private postsecondary institutions of higher education in Arizona.
 - 3. Three members WHO ARE appointed by the state board of education.
 - B. The committee shall:
- 1. Develop criteria for schools to apply for participation in the program. To be selected for participation schools shall demonstrate how existing programs and resources for the support of students will be reorganized and utilized for the purpose of retaining students in the program. In addition schools shall demonstrate a commitment to assisting the

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Arizona commission for postsecondary education in seeking and securing monies to be deposited in the scholarship fund, pursuant to section 15-1864.

- 2. With the approval of the Arizona commission for postsecondary education, select schools for participation in the program based upon the criteria established in paragraph 1 of this subsection.
- 3. Develop an initial application and an annual renewal application for persons who wish to participate in the Arizona student program investing resources in education.
- 4. Develop financial need criteria for continued participation in the program after a participant graduates from high school.
- 5. Develop a special application process for persons who wish to apply for participation in the program after the completion of grade three.
- 6. Develop a standardized agreement to be signed by the applicant to the program and the applicant's parent or guardian.
- 7. Provide written information on the program to all schools in this state.
- 8. Develop deadlines for returning applications for participation in the program and deadlines for notifying applicants of acceptance or rejection.
- 9. With the approval of the Arizona commission for postsecondary education, annually select students for participation in the program and notify applicants in writing of acceptance into the program, and if the applicant is rejected, provide written notification of the reasons for rejection.
- 10. Annually determine the amount of each person's grant who is selected to participate in the program.
- 11. Determine and annually inform each person who is selected to participate in the program of the current status of the person's scholarship earnings.
- The committee may terminate any person from the program if the C. person is adjudicated of, convicted of, or pleads guilty to any crime. The committee may terminate any person from the program if the person fails to meet any of the criteria established in section 15–1862 or violates section 15-1862, subsection B, paragraph 4, subdivision (a), item (ii), except that if a person selected to participate in the program fails to maintain an average grade point of AT LEAST 3.0 on a 4.0 scale during any period of enrollment in high school or fails to maintain sufficient academic standing at an eligible institution of higher education, the selection committee shall place the person on probation for one academic semester and shall not provide grant monies to the person. If a person who is on probation from the program fails to restore the person's grade point average to at least 3.0 on a 4.0 scale at a high school or return to sufficient academic standing at an eligible institution of higher education at the end of the semester for which the person is placed on probation, the person shall be permanently disqualified from participation in the program.

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Sec. 22. Section 15-1872, Arizona Revised Statutes, is amended to read:

15-1872. <u>Family college savings program oversight committee:</u> membership: powers and duties

- A. The family college savings program oversight committee is established in the commission for postsecondary education. The committee consists of the following members:
- 1. The director of the department of insurance or the director's designee.
- 2. The director of the department of banking or the director's designee.
 - 3. The state treasurer or the state treasurer's designee.
- 4. The director of the securities division of the Arizona corporation commission or the director's designee.
- 5. The president of the Arizona board of regents or the president's designee.
- 6. The executive director of the state board of directors for community colleges or the executive director's designee.
- 6. A PRESIDENT OR CHANCELLOR OF A COMMUNITY COLLEGE DISTRICT WHO IS APPOINTED BY THE GOVERNOR.
- 7. The chairperson of the state board for private postsecondary education or the chairperson's designee.
- 8. Three members of the general public, each of whom possesses knowledge, skill and experience in accounting, risk management or investment management or as an actuary. The governor shall appoint these members to serve staggered four year terms pursuant to section 38-211. The initial members appointed pursuant to this paragraph shall assign themselves by lot to serve two, three and four year terms. The chairperson shall notify the governor's office on appointments of these terms. All subsequent members appointed pursuant to this paragraph serve four year terms.
- B. The commission shall select a chairperson and a vice-chairperson from among the committee's membership. A majority of the membership constitutes a quorum for the transaction of business. The committee shall meet at least once each calendar quarter. The chairperson may call additional meetings.
- C. Members of the family college savings program oversight committee appointed pursuant to subsection A, paragraph 8 of this section are eligible to receive compensation as determined pursuant to section 38-611 for each day of attendance at committee meetings, except that the compensation of any member shall not exceed five hundred dollars in any year. The commission shall pay compensation pursuant to this subsection from monies of the commission.
- D. The committee shall recommend financial institutions for approval by the commission to act as the depositories and managers of family college savings accounts pursuant to section 15-1874.

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- E. The committee may submit proposed rules to the commission to assist in the implementation and administration of this article.
- F. Members of the committee are immune from personal liability with respect to all actions that are taken in good faith and within the scope of the committee's authority.
 - Sec. 23. Section 23-391, Arizona Revised Statutes, is amended to read: 23-391. Overtime pay: work week
- A. Subject to availability of appropriated funds, an employee of the state or any political subdivision, serving in a position determined by the law enforcement merit system council, the director of the department of administration, the ARIZONA board of regents, the state board of directors for community colleges, the board of directors for the school ARIZONA STATE SCHOOLS for the deaf and the blind or the governing body of a political subdivision, in the discretion of such board or body, to be eligible for overtime compensation who is required to work in excess of such person's normal work week, shall be compensated for such excess time at the following rates:
- 1. One and one-half times the regular rate at which such person is employed or one and one-half hours of compensatory time off for each hour worked if overtime compensation is mandated by federal law.
- 2. If federal law does not mandate overtime compensation, the person shall receive the regular rate of pay or compensatory leave on an hour for hour basis at the discretion of the board or governing body.
- B. Notwithstanding the provisions of subsection A, the state or a political subdivision may provide, by action of the law enforcement merit system council, the board of regents, the state board of directors for community colleges, the board of directors for the school ARIZONA STATE SCHOOLS for the deaf and the blind or the director of the department of administration in the case of the state or of the governing body of the political subdivision, for a work week of forty hours in less than five days for certain classes of employees employed by the state or the political subdivision.
- Sec. 24. Section 32-3001, Arizona Revised Statutes, is amended to read:

32-3001. Definitions

In this chapter, unless the context otherwise requires:

- 1. "Accredited" means accredited by an accrediting agency recognized by the United States department of education.
 - 2. "Board" means the state board for private postsecondary education.
- 3. "Degree" means an academic degree or honorary degree or the title of any designation, mark, appellation, series of letters or words including associate, bachelor, master, doctor or fellow which signifies, purports to signify or is generally taken to signify satisfactory completion of the requirements of an educational program of study beyond the secondary school

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 level or which is an honorary title conferred for recognition of some meritorious achievement.

- 4. "Grant" means award, bestow, confer, convey or sell.
- 5. "Operate" means to establish, keep, maintain or utilize a physical facility, location or mailing address in this state where, from which or through which students are procured for private vocational or private degree programs, private vocational or private degree programs are offered or private vocational credentials or private degrees are offered or granted and includes contracting for the performance of any of these acts.
- 6. "Private vocational program" means an instructional program which includes a course or group of courses as defined in section 15-101 for which a student does not earn a degree and which is designed to provide or is advertised as providing a student with sufficient skills for entry into a paid occupation, and which is not conducted solely by a public school, public community college or public university except as provided in section 15-1424.

Sec. 25. Section 35-101, Arizona Revised Statutes, is amended to read: 35-101. <u>Definitions</u>

In this chapter, unless the context otherwise requires:

- 1. "Allotment" means the allocation of an appropriation or other fund source over a full fiscal year within a budget program or expenditure class.
 - 2. "Annual budget unit" means the following agencies:
 - (a) The department of education.
 - (b) The Arizona board of regents.
 - (c) Arizona state university.
 - (d) Arizona state university west campus.
 - (e) Arizona state university east campus.
 - (f) The university of Arizona.
 - (g) Northern Arizona university.
 - (h) The state board of directors for community colleges.
 - (i) (h) The school facilities board.
 - (j) (i) The department of economic security.
 - (k) (j) The state department of corrections.
 - (1) (k) The department of juvenile corrections.
 - (m) (1) The Arizona health care cost containment system.
 - (n) The department of health services.
 - (n) The department of administration.
 - (p) (o) The department of transportation.
- (q) (p) The judiciary, including the supreme court, the court of appeals and the superior court.
- 3. "Authorized agent" means a commercial enterprise contracted to process transactions on behalf of a state agency.
- 4. "Biennial budget unit" means any department, commission, board, institution or other agency of the state organization receiving, expending or disbursing state funds or incurring obligations against the state that is not an annual budget unit.

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- 5. "Budget estimates" means statements with accompanying explanations, as provided by this chapter, in which a budget unit states its financial requirements and requests appropriations.
- 6. "Budget program" means functions and activities of a budget unit or within a budget unit that are preplanned to fulfill a distinct mission.
- 7. "Budget unit" means any department, commission, board, institution or other agency of the state organization receiving, expending or disbursing state funds or incurring obligations against the state. Budget unit includes the annual budget units and biennial budget units.
 - 8. "Cardholder" means any person:
- (a) Named on the face of a credit card to whom or for whose benefit the credit card is issued by an issuer.
- (b) In possession of a credit card with the consent of the person to whom the credit card was issued.
 - 9. "Claim" means a demand against the state for payment for either:
- (a) Goods delivered or, in the case of highway construction, goods or facilities to be delivered, by the federal government.
 - (b) Services performed.
- 10. "Convenience fee" means an additional fee that is imposed by an authorized agent on an electronic transaction and that would not be charged if the same transaction were completed in person.
 - 11. "Credit card" means:
- (a) Any instrument or device, whether known as a credit card, charge card, credit plate, courtesy card or identification card or by any other name, issued with or without a fee by an issuer for the use of the cardholder in obtaining money, goods, services or anything else of value, either on credit or in possession or in consideration of an undertaking or guaranty by the issuer of the payment of a check drawn by the cardholder, on a promise to pay in part or in full at a future time, whether or not all or any part of the indebtedness represented by this promise to make deferred payment is secured or unsecured.
- (b) Any debit card, electronic benefit transfer card or other access instrument or device, other than a check that is signed by the holder or other authorized signatory on the deposit account, that draws monies from a deposit account in order to obtain money, goods, services or anything else of value.
- (c) Any stored value card, smart card or other instrument or device that enables a person to obtain goods, services or anything else of value through the use of value stored on the instrument or device.
- (d) The number assigned to an instrument or device described in subdivision (a), (b) or (c) of this paragraph even if the physical instrument or device is not used or presented.
- 12. "Discount fee" means the fee calculated and charged by the card issuer or the processing financial institution, pursuant to a merchant agreement for the processing of any credit card transaction.

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- 13. "Encumbrance" means an obligation in the form of any purchase order, contract or other commitment which is chargeable to an appropriation or any other authorized fund source and for which a part of the fund source is reserved. It ceases to be an encumbrance when paid or canceled.
- 14. "Expenditure class" means one of the kinds of expenditure denoting a class of services or commodities purchased or properties acquired as specified in the classification of expenditures prescribed by the director of the department of administration for use in expenditure accounting, in making budget estimates and in the budget reports and budgets.
- 15. "Issuer" means any business organization, state agency or financial institution, or its duly authorized agent, that issues a credit card.
- 16. "Prepayment" means the payment of a claim before receiving the goods or services.
- 17. "Purchase order" means a document that is signed by the appropriate agency authorized signatory, that requests a vendor to deliver described goods or services at a specific price and that on delivery and acceptance of the goods or services by this state becomes an obligation of this state.
- 18. "Transaction amount" means the total amount due to the state for any goods, service or license or anything else of value.
 - Sec. 26. Section 41-617, Arizona Revised Statutes, is amended to read:
 - 41-617. Arizona drug and gang policy council; duties
- A. An Arizona drug and gang policy council is established which shall consist CONSISTING of members as follows:
 - 1. The governor, who shall serve as chairman.
 - 2. The attorney general.
 - 3. The director of the department of public safety.
 - 4. The director of the department of health services.
 - 5. The director of the department of economic security.
 - 6. The director of the state department of corrections.
 - 7. The state superintendent of public instruction.
- 8. A representative from the Arizona board of regents WHO IS appointed by its president.
- 9. A representative from the state board of directors for community colleges appointed by its chairman.
- 9. A PRESIDENT OR CHANCELLOR OF A COMMUNITY COLLEGE DISTRICT WHO IS APPOINTED BY THE GOVERNOR.
- 10. A member of the criminal justice commission WHO IS appointed by its chairman.
- 11. A representative from the business community WHO IS appointed by the governor.
- 12. A representative from the league of Arizona cities and towns WHO IS appointed by the governor.
 - 13. The administrative director of the courts.
 - 14. The director of the Arizona health care cost containment system administration.

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- 15. The director of the department of juvenile corrections.
- 16. A representative, WHO IS appointed by the governor, from a local community group or neighborhood group that is actively involved in community substance abuse issues.
- B. The council shall meet and organize by electing from among its members such other officers as are deemed necessary or advisable. The council shall meet at least once during each calendar quarter and additionally as the chairman deems necessary. Staff and support services as are needed for the administration of the council's activities will be supplied from those state agencies represented on the council at the direction of the governor.
- C. The objective of the council is to foster cooperation among all state and local governmental entities, neighborhood groups, community organizations and private groups to ensure the optimal delivery of educational, treatment and prevention programs that will reduce the incidences of substance abuse or participation in criminal street gangs as defined in section 13-105 by children, youth and families.
 - D. The Arizona drug and gang policy council shall:
- 1. Recommend the basis for effective coordination of all state programs and expenditures, including federal monies, for education, prevention and treatment relating to alcohol and drug abuse and participation in criminal street gangs as defined in section 13-105.
- 2. Provide a liaison to community groups and private sector programs involved in substance abuse and gangs education, prevention and treatment.
- 3. Conduct an annual inventory of publicly supported education, prevention and treatment programs related to substance abuse and participation in criminal street gangs in operation in this state to be submitted by October 31 of each year to the governor, the president of the senate and, the speaker of the house of representatives AND THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS to be made available to the general public through the Arizona drug and gang prevention resource center. The report shall include:
 - (a) The name, the location and a description of each program.
 - (b) The amount and sources of funding for each program.
 - (c) The agency that administers each program.
- (d) The type of substance abuse or gang activity addressed by each program.
- (e) The gender of clientele served by each program and whether the program serves children or adults, or both.
- 4. Evaluate the results achieved by publicly supported education, treatment and prevention programs and make recommendations to the governor and the legislature for revising programs or redirecting expenditures to achieve better use of public resources.
- 5. Evaluate the results achieved by publicly supported education, prevention and treatment programs that are related to drug related gang

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activity in this state and make recommendations to the governor and the legislature for revising programs or redirecting expenditures to achieve better use of public resources.

- 6. Oversee the operation of the Arizona drug and gang prevention resource center which shall be established and maintained at the direction of the Arizona drug and gang policy council for the collection, storage and distribution of information relating to substance abuse prevention and treatment programs, gang education and prevention and treatment programs and which shall serve as a referral agency for law enforcement activities.
- 7. Communicate regularly with the statewide chemical abuse prevention interagency committee to collect statewide lay and professional recommendations for prevention, education and treatment programs.
- 8. Communicate regularly with the Arizona criminal justice commission so that programs for education, treatment and prevention are coordinated with enforcement and related efforts undertaken within the criminal justice system.
- E. The Arizona drug and gang prevention resource center shall be operated with the full cooperation of all agencies and entities involved in the organization and maintenance of publicly supported education, prevention and treatment programs related to substance abuse and gangs.
- Sec. 27. Section 41-790.01, Arizona Revised Statutes, is amended to read:

41-790.01. Exemptions: exception

- A. The following are exempt from the provisions of this article relating to capital improvement plans:
- 1. Land acquisition, capital projects or building renewal by any state agency if the total cost of the entire acquisition, project or building renewal will not exceed twenty-five thousand dollars.
- 2. Programs, projects or improvements of the state transportation board relating to the construction, reconstruction, improvement or maintenance of state highways or bridges.
- B. The state board of directors for community colleges is exempt from the provisions of this article.
- C. B. Land acquisition, capital projects and building renewal relating to buildings which serve as offices for the department of transportation are not exempt.
- Sec. 28. Section 41-1057, Arizona Revised Statutes, is amended to read:

41-1057. <u>Exemptions</u>

In addition to the exemptions stated in section 41-1005, this article does not apply to:

1. An agency which is a unit of state government headed by a single elected official.

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- 2. The corporation commission, which shall adopt substantially similar rule review procedures, including the preparation of an economic impact statement and a statement of the effect of the rule on small business.
 - 3. The state board of directors for community colleges.
- 4. 3. The state board of education and the state board for vocational and technological education.
- 5. 4. The industrial commission of Arizona when incorporating by reference the federal occupational safety and health standards as published in 29 Code of Federal Regulations parts 1910, 1926 and 1928.
- 6. 5. The Arizona state lottery if making rules that relate only to the design, operation or prize structure of a lottery game.
- Sec. 29. Section 41-1829.01, Arizona Revised Statutes, is amended to read:
 - 41-1829.01. Arizona peace officers memorial board; duties
 - A. The Arizona peace officers memorial board shall:
- 1. Add to the memorial at least annually the names of all members of the law enforcement community in this state who have lost their lives in the line of duty and provide for a dedication ceremony which commemorates the addition of their names.
- 2. Plan and provide for the maintenance of the peace officers memorial.
- 3. Report annually to the president of the senate and the speaker of the house of representatives on the progress of the memorial AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS.
- 4. Determine those persons who are eligible for the tuition waiver pursuant to section 15-1808 and report the determination to the Arizona board of regents or to the state board of directors for community colleges EACH COMMUNITY COLLEGE DISTRICT GOVERNING BOARD, as applicable.
 - B. The Arizona peace officers memorial board may:
- 1. Solicit private monetary donations for deposit in the Arizona peace officers memorial fund.
- 2. Use the monies deposited in the Arizona peace officers memorial fund established by section 41-1829.02 for persons who are eligible for the tuition waiver pursuant to section 15-1808 to pay for tuition, if tuition has not been waived, and other educational expenses incurred at a community college or a publicly or privately funded college or university or technical school.
- Sec. 30. Section 41-1862, Arizona Revised Statutes, is amended to read:
 - 41-1862. Arizona fire fighters and emergency paramedics memorial board; duties

The Arizona fire fighters and emergency paramedics memorial board shall:

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- 1. Establish a memorial for all fire fighters and emergency paramedics who have lost their lives in the line of duty.
 - 2. Determine those persons who are eligible to be memorialized.
- 3. Plan and provide for additions to and maintenance of the fire fighters and emergency paramedics memorial.
- 4. Solicit private monetary donations or public monies from municipalities for deposit in the Arizona fire fighters and emergency paramedics memorial fund.
- 5. Receive property from any public source for use in establishing or maintaining the memorial.
- 6. Report annually to the president of the senate and the speaker of the house of representatives on the progress of the memorial AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS.
- 7. Determine those persons who are eligible for the tuition waiver scholarship pursuant to section 15-1808 and report the determination to the Arizona board of regents or to the state board of directors for community colleges EACH COMMUNITY COLLEGE DISTRICT GOVERNING BOARD, as applicable.
- Sec. 31. Section 41-3501, Arizona Revised Statutes, is amended to read:

41-3501. Definitions

In this chapter, unless the context otherwise requires:

- 1. "Agency" means the government information technology agency.
- 2. "Budget unit" means a department, commission, board, institution or other agency of the state organization receiving, expending or disbursing state funds or incurring obligations of the state including the ARIZONA board of regents and the state board of directors for community colleges but excluding the universities under the jurisdiction of the ARIZONA board of regents, and the community colleges under their respective jurisdictions COLLEGE DISTRICTS and the legislative or judicial branches.
- 3. "Committee" means the information technology authorization committee.
 - 4. "Director" means the director of the agency.
- 5. "Disaster recovery" means the measures required to mitigate the loss of information technology capability.
- 6. "Information technology" means all computerized and auxiliary automated information processing, telecommunications and related technology, including hardware, software, vendor support and related services, equipment and projects.
- Sec. 32. Section 42-5029.01, Arizona Revised Statutes, is amended to read:

42-5029.01. Qualifying Indian tribe; report; accounting procedures; definitions

A. To qualify for funding pursuant to section 42-5029, subsection E, paragraph 4, a qualifying Indian tribe shall report its full-time equivalent

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student enrollment, as calculated under section 15-1466.01, in the preceding fiscal year to the state board of directors for community colleges AUDITOR GENERAL by June 30 each year and shall comply with the same accounting procedures and practices prescribed by the state board of directors for community colleges AUDITOR GENERAL for calculating full-time equivalent student enrollment for community colleges under its jurisdiction COLLEGE DISTRICTS. A qualifying Indian tribe may report to the state board of education the number of students simultaneously enrolled in a course for both high school and community college credit.

- B. For THE purposes of this section:
- 1. "Community college" includes any college owned, operated or chartered by a qualifying Indian tribe.
- 2. "Qualifying Indian tribe" has the same meaning prescribed in section 42-5031.01, subsection D.
- Sec. 33. Section 44-7002, Arizona Revised Statutes, is amended to read:

44-7002. <u>Definitions</u>

In this chapter, unless the context otherwise requires:

- 1. "Agreement" means the bargain of the parties in fact, as found in their language or inferred from other circumstances and from rules, regulations and procedures that are given the effect of agreements under laws otherwise applicable to a particular transaction.
- 2. "Automated transaction" means a transaction that is conducted or performed, in whole or in part, by electronic means or electronic records AND in which the acts or records of one or both parties are not reviewed by an individual in the ordinary course in forming a contract, performing under an existing contract or fulfilling an obligation that is required by the transaction.
- 3. "Computer program" means a set of statements or instructions to be used directly or indirectly in an information processing system in order to bring about a certain result.
- 4. "Contract" means the total legal obligation resulting from the parties' agreement as affected by this chapter and any other applicable law.
- 5. "Electronic" means relating to technology that has electrical, digital, magnetic, wireless, optical or electromagnetic capabilities or similar capabilities.
- 6. "Electronic agent" means a computer program or an electronic or other automated means that is used independently to initiate an action or respond to electronic records or performances, in whole or in part, without review or action by an individual.
- 7. "Electronic record" means a record that is created, generated, sent, communicated, received or stored by electronic means.
- 8. "Electronic signature" means an electronic sound, symbol or process that is attached to or logically associated with a record and that is executed or adopted by an individual with the intent to sign the record.

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- 9. "Governmental agency" means an executive, legislative or judicial agency, department, board, commission, authority, institution or instrumentality of the federal government or a state or of a county or municipality or other political subdivision of a state.
- 10. "Information" means data, text, images, sounds, codes, computer programs, software or databases or similar items.
- 11. "Information processing system" means an electronic system for creating, generating, sending, receiving, storing, displaying or processing information.
- 12. "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency or public corporation or any other legal or commercial entity.
- 13. "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and that is retrievable in perceivable form.
- 14. "Security procedure" means a procedure that is employed to verify that an electronic signature, record or performance is that of a specific person or to detect changes or errors in the information in an electronic record. Security procedure includes a procedure that requires the use of algorithms or other codes, identifying words or numbers or encryption, callback or other acknowledgment procedures.
- 15. "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands or any territory or insular possession subject to the jurisdiction of the United States. State includes an Indian tribe or band or Alaskan native village that is recognized by federal law or formally acknowledged by another state.
- 16. "State agency" means any department, commission, board, institution or other agency of the state that receives, expends or disburses state funds or incurs obligations of the state, including the Arizona board of regents and the state board of directors for community colleges but excluding the universities under the jurisdiction of the Arizona board of regents, and the community colleges under their respective jurisdictions COLLEGE DISTRICTS and the legislative or judicial branches.
- 17. "Transaction" means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial or governmental affairs.

Sec. 34. Retention of members

Notwithstanding sections 15-201, 15-1851, 15-1863, 15-1872 and 41-617, Arizona Revised Statutes, as amended by this act, the persons serving as the representatives of the state board of directors for community colleges on the state board of education, the commission for postsecondary education, the Arizona student program investing resources for education selection committee, the family college savings program oversight committee and the

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Arizona drug and gang policy council on the effective date of this act may continue to serve until the expiration of their normal terms.

Sec. 35. Conditional enactment

Section 15-201, Arizona Revised Statutes, as amended by this act, does not become effective unless a corresponding change to article XI, section 3, Constitution of Arizona, is approved by a vote of the people at the next general election.

PPROVED BY THE GOVERNOR JUNE 4, 2004.

FIDED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 4, 2004.

Passed the House March 15, 2004	Passed	the Senate	April	15,2004
by the following vote: 57 Ay	res, by the	following vote:	29	Ayes,
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Governor of Arizona				
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Secretary of State

HOUSE FINAL PASSAGE as per Joint Conference	SENATE FINAL PASSAGE as per Joint Conference
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Passed the House May 26, 2004	7, Passed the Senate 7/44, 26, 2004,
by the following vote: 45 Ay	yes, by the following vote:Ayes,
// Nays, 4 Not Voti	ing O Nays, 4 Not Voting
Jake Hake	Len Plunt
Speaker of the House Horman L. Moore	President of the Senate
Chief Clerk of the House	Secretary of the Senate
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• .	at 11'.15 o'clock M.
	Janice L. Brewer
	Secretary of State